

EXHIBIT 14

DECLARATION OF KAVITA BALA, PH.D.

I, Kavita Bala, Ph.D., declare as follows:

1. I have been the Provost of Cornell University (“Cornell” or the “University”) since January 1, 2025. I previously served as the inaugural Dean of the Cornell Ann S. Bowers College of Computing and Information Science. I am a computer scientist specializing in research on artificial intelligence, computer vision, and computer graphics. I am a Member of the American Academy of Arts & Sciences, a Fellow of the Association for Computing Machinery (ACM), a Fellow of the Special Interest Group on Computer Graphics (SIGGRAPH) Academy, a recipient of the SIGGRAPH Computer Graphics Achievement Award, and a former Editor-in-Chief of the journal ACM Transactions on Computer Graphics. I am the author of more than 100 peer-reviewed publications.

2. I have personal knowledge of the contents of this declaration, or have knowledge of the matters based on my review of information and records gathered by Cornell personnel, and could testify thereto.

3. In my role, I am the University’s chief academic officer and chief budget officer and serve as the Cornell President’s first deputy officer. I oversee all academic programs and units of the University, other than those reporting to the Provost for Medical Affairs.

4. The federal government has selected Cornell to conduct a wide variety of vital research on behalf of United States citizens, funded in part by agency awards, cooperative agreements, and contracts from across the federal government, including but not limited to the National Science Foundation (“NSF”). For Cornell’s fiscal year 2024 (July 1, 2023 to June 30, 2024), Cornell expended approximately \$77,000,000 on more than 560 grants and approximately \$61,000,000 on more than a dozen cooperative agreements from NSF for its Ithaca and Cornell

Tech campuses. On those agreements, the University's indirect cost rate was as published and negotiated with the federal government, allowing Cornell to recover approximately \$33,000,000 in reimbursement for those costs from NSF. This cost recovery is key to the successful conduct of the research described below. Decreasing this cost recovery would delay progress for all awards and may result in failure to meet milestones for many. For Cornell's fiscal year 2025 (July 1, 2024 to June 30, 2025), Cornell holds more than 530 grants and more than a dozen cooperative agreements from NSF at its Ithaca and Cornell Tech campuses.

5. Cornell also intends to apply for new funding awards, and/or renewals and continuations of existing funding awards, in the next year and in future years to come. Indeed, Cornell currently has over 260 proposals under consideration by NSF.

6. On April 18, 2025, NSF announced that it would prioritize its use of funds "to prioritize cutting-edge discovery science and engineering (S&E) research, advancing technology and innovation, and creating opportunities for all Americans in every region of the Nation." (<https://www.nsf.gov/updates-on-priorities>.) This is exactly the type of work that Cornell currently performs on NSF grants and cooperative agreements.

7. For example, Dr. Lynden A. Archer, the Joseph Silbert Dean of Engineering and the James A. Friend Family Distinguished Professor of Engineering, is the principal investigator on an NSF grant that supports education and workforce training for rural, economically underserved regions. The NSF I-Corps Hub: Interior Northeast (IN I-Corps Hub) is a Cornell-led consortium of rural and rural-serving research universities spanning West Virginia, western Pennsylvania, upstate New York, Vermont, and New Hampshire. Launched in January 2023, the IN I-Corps Hub is building a regional innovation network that offers a repeatable, scalable model of education and workforce training designed for and by technology innovators. To date, 560 teams

have completed 59 Hub-led courses designed to accelerate the commercialization of research with broad economic and societal impact. Program alumni have collectively started 158 businesses, created 206 jobs, and secured \$7.3 million in follow-on funding, driving economic growth and ensuring the United States remains a global leader in STEM innovation. The IN I-Corps Hub has also broadened access to entrepreneurship training for researchers in rural areas, who represented 66% of program participants last year, and delivered the first-ever I-Corps course taught fully in American Sign Language.

8. NSF funds also support the operation of the Cornell High Energy Synchrotron Source (CHESS), which is a high-energy, synchrotron x-ray facility operated by Cornell University for the US National Science Foundation (NSF-CHEXS), the National Institutes of Health, and the Air Force Research Laboratory. CHEXS is the largest single operations award for CHESS, funding 4 of the 7 currently supported beamlines. Access is by peer-reviewed proposal. The NSF operates national user facilities to provide researchers access to unique capabilities that are too large, expensive, or sophisticated to develop at their home institutions. Researchers at CHESS also rely on NSF funding to develop technology closer to what is available in Europe, combining the capabilities of advanced x-ray sources with high magnetic fields. In 2020, to address a gap in technical capability and to enable fundamentally new science directions, the NSF funded the construction of the High Magnetic Field (HMF) X-ray Beamline at CHESS. This facility has been built over the past 5 years, in close partnership between CHESS and the National High Magnetic Field Laboratory. Final implementation and commissioning work is currently underway. The facility is on track to achieve all key performance parameters, meet all science requirements, and be ready for user operations in 2026.

9. Dr. David Hysell, the Thomas R. Briggs Professor in Engineering, is performing space weather research using radar systems to protect communications and GPS systems for NSF. The objective is to better understand the space environment so as to protect space systems including communications (space- and ground-based) and navigation (e.g. GPS) systems from natural and man-made hazards. The researchers are developing new radar methods and improving the ability of military radars to capture and make sense of space weather.

10. Dr. Judy Cha was selected to perform workforce development in the semiconductor industry for NSF. To re-shore semiconductor manufacturing back to the United States is a priority of the federal government; educators are addressing the critical domestic workforce gap that presents an obstacle to this objective. Cornell and MIT faculty members are teaching students essential skills in semiconductor processing, manufacturing, and in the microelectronics industry.

11. Dr. Lawrence Bonassar, the Daljit S. and Elaine Sarkaria Professor in Biomedical Engineering and a Professor of Mechanical and Aerospace Engineering, is developing new ways to grow cartilage for Americans suffering from arthritis. Arthritis is the leading cause of disability in the United States, affecting almost 60 million people or close to 20% of the population. The economic impact of arthritis is more than \$300B or 1% of GDP. The main tissue affected by arthritis is cartilage, which has limited capacity to heal. NSF is funding work to develop new ways to grow cartilage replacement tissues that closely resemble natural cartilage.

12. Just a handful of the other awards that NSF has selected Cornell to perform work on include research on: developing new methods to produce more nutritious, higher yielding crops; equipping future workers with AI skills to pursue more efficient energy and food systems; mitigating the power and energy demands of technological cloud infrastructure to create more resilient infrastructure; and preventing the transmission of pathogens from animals to humans;

advancing the knowledge needed to increase accelerator capabilities and to transfer it to domestic national labs and industry. All of these research projects rely on resources and services that are only available because they are supported, in part, by the indirect cost portions of the NSF awards.

13. Reimbursement of Cornell's indirect costs is essential for supporting this research. A cap of indirect cost recovery rates of fifteen percent would preclude carrying out these kinds of research projects in the future.

14. Cornell faculty have also submitted, and intend to submit in the future, proposals for current NSF funding opportunities at the university's negotiated rate, including: additional sponsored activity at the High Magnetic Field beamline at CHESS, the construction of which NSF had previously funded; collaborative research on human-focused AI-assisted communication; increasing productivity and innovation in the domestic dairy industry through the use of scalable technologies; and proposals for the NSF's Directorate for Computer and Information Science and Engineering's (CISE) Expeditions in Computing program, which seeks "to build on past successes and provide the CISE research and education community with the opportunity to pursue ambitious, fundamental research agendas that promise to define the future of computing and information." The budgets for these proposals simply cannot accommodate a reduction in indirect cost recovery to fifteen percent.

15. Furthermore, Cornell has approximately ten proposals that have been recommended for NSF funding, as well as a proposal selected for funding but on which the Notice of Award has not been issued. All of these proposals were submitted using the university's negotiated indirect cost recovery rates.

16. In a typical award, the funding amounts must cover both direct costs (expenses directly related to the specific grant activity) and indirect costs. Indirect costs cover essential

expenses such as facilities, utilities, financial administration, and operations that enable research to flourish safely and responsibly, such as research compliance and safety programs, and hazardous waste disposal. *See* Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. §§ 200, *et seq.* (the “Uniform Guidance”). Particularly for the advanced scientific research sponsored by the NSF, the need to pay for state-of-the-art computer and science lab start-up and maintenance costs, equipment purchases such as specialized and precise instrumentation tools, information technology and other computer-related services, and research compliance and safety programs, mean that these indirect costs are both considerable and essential for work to occur. Historically, the federal government has used a narrower definition of direct costs than is typical in foundation-funded research, mostly to streamline budgeting and minimize administrative burdens on the agencies. Significantly reducing the allowable indirect cost percentage without altering the way in which costs are classified as direct or indirect significantly disrupts the financial model that has supported needed research and innovation across the United States for decades. As detailed below, changing the funding model would jeopardize the work that Cornell is carrying out for NSF that is having a major, positive impact on the national security, scientific superiority, and economic competitiveness of the United States.

17. Recovery of Cornell’s indirect costs is based on predetermined rates that have been contractually negotiated with the federal government pursuant to the Uniform Guidance. Specifically, Cornell has negotiated an indirect cost rate with the federal government of up to 64% of modified total direct costs for its Ithaca campus that is effective through June 30, 2026.

18. Although the federal government’s portion of funds needed for university research has been declining over time, indirect cost reimbursements are vital to the operation of the nation’s

federal research system, which includes the sponsored activities conducted at Cornell. The total amount of NSF awards, including the direct and indirect costs at the full negotiated rate, simply fall well short of covering the real, comprehensive cost of sponsored activities including research, and do not reflect the full facilities and administration costs that Cornell must incur in order to be able to perform the work.

19. As noted in Paragraph 4, for Cornell's fiscal year 2024 (July 1, 2023 to June 30, 2024), Cornell expended approximately \$138,000,000 on more than 580 grants and cooperative agreements from NSF. On those grants, Cornell recovered approximately \$33,000,000 in reimbursement for indirect costs from NSF.

20. On May 2, 2025, NSF issued a Policy Notice, "Implementation of Standard 15% Indirect Cost Rate" ("NSF Policy Notice"). The NSF Policy Notice provides that effective May 5, 2025, indirect costs allowed on all future grant and cooperative agreement awards to institutions of higher education will be limited to fifteen percent of modified total direct costs. Reducing the indirect cost recovery rate to fifteen percent—instead of using the rate Cornell has negotiated with the federal government under the Uniform Guidance—would be devastating for achieving results in the type of research that NSF sponsors. If Cornell's NSF-sponsored portfolio remained stable, in a typical fiscal year the cap would reduce Cornell's indirect cost recovery on NSF-sponsored activities to approximately \$8,000,000 per year, a decrease of approximately \$25,000,000 each and every year.

21. If the NSF Policy Notice is permitted to remain in effect, it will harm research at Cornell that directly benefits American scientific supremacy and competitiveness. Such a significant decrease in allowable indirect costs will impair the University's ability to compete for

and, if awarded, to conduct sponsored research in compliance with the underlying award agreements and applicable laws regarding research safety and compliance.

22. Cornell necessarily relies on both the direct cost and the indirect cost portions of funding provided with each specific NSF award in formulating its overall operating budget in any given year. Operating budgets rely upon estimates of direct and indirect sponsored funding to plan for annual staffing needs, infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), facility construction and renovation, and equipment purchases to support a broad range of overlapping research activities. The need to plan for budgets across multiple years also requires Cornell to assume the availability or possibility of grant renewals at roughly similar terms—and certainly at the negotiated indirect cost rate—as had been previously available.

23. The NSF Policy Notice will also undermine the feasibility of sponsored activity that results in scientific breakthroughs that provide significant social and economic value to the country, sometimes opening up entirely new areas of commercial development. The United States is a stronger, more secure, and more economically vibrant country as a result of the collective benefits arising from federally sponsored research. Additionally, the next generation of scientists, engineers, and other skilled workers develop their vitally important expertise while learning and working at research institutions such as Cornell. In particular, we train scientists to work in collaborative, team-based environments which mirror how organizations function beyond academia. These programs increase productivity and flexibility of the nation's workforce, enabling them to excel in private industry across multiple sectors of the economy. The NSF Policy Notice would significantly reduce the positive impact of this work and the pipeline of educated professionals that United States industry requires to be internationally competitive. Slowdowns or

halts in research by Cornell and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening our nation's national security and its economic dominance.

24. Cornell's existing endowment cannot simply be redirected to pick up the reduced indirect cost recovery rate on future NSF awards. The vast majority of endowed funds are restricted by the terms on which the funds were donated to the University and cannot legally be used to cover research infrastructure costs. Moreover, Cornell may only draw down the portion of the endowment that is unrestricted at a rate that complies with New York State law.

25. As a non-profit institution, Cornell reinvests nearly all of its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, Cornell does not generate significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid support for students. Absorbing the cost of a lower indirect cost rate on future NSF awards, if it were even possible, would create long-term budget pressures on Cornell because of the need to further subsidize the research with institutional funds—which would in turn force reductions in key investments supporting Cornell's faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain Cornell's academic excellence.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: Ithaca, New York
May 5, 2025



KAVITA BALA, PH.D.